

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1285 - HB 1204

March 5, 2013

SUMMARY OF BILL: Authorizes a smaller city which continues after the ratification of a metropolitan government charter to retain any and all powers of a separate city under the state constitution, the city's charter, and general law. Requires the smaller city to be included in the general services district (GSD), however prohibits the smaller city from being included within the urban services district (USD). The act shall take effect upon becoming law and shall apply to any such transfer having its referendum results certified on or after the effective date of this act.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The net fiscal impact to local government is considered not significant; however, the fiscal impact to individual local government entities may vary and could be significant. Such individual impacts are dependent upon unknown factors and cannot be quantified.

Assumptions:

- This bill states this act shall apply only to referendum results certified on or after the effective date of this act; as a result this bill does not apply to any of the three current metropolitan governments established in Tennessee.
- The bill will not result in any fiscal impact to the state.
- A precise fiscal impact to local governments is difficult to determine due to multiple unknown factors, including but not limited to, the geographical size, population, and extent of services any smaller city would need to establish upon exclusion from the USD, the total amount of taxes levied and collected by the metropolitan government in exchange for services provided to the smaller city within the USD, and the extent of any decrease in expenditures the smaller city would receive from inclusion in a metropolitan government.
- Given the extent of unknown variables, a precise fiscal impact to local governments cannot be determined; however any impact as a result of this bill will be as a result of a shift in expenditures and revenues between a metropolitan government and a smaller city. Due to this impact occurring between two local government entities, the net local impact is considered not significant; however, the fiscal impact to any individual local government entities may vary and could be significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jrh